4. CONCLUSION

Importance of financial inclusion arises from the problem of financial exclusion of nearly 3 billion people from the proper financial services across the world. With only 34% of population occupied in formal banking, the second highest number after China, India has 135 million monetarily expelled households. Further, the actual rate of financial inclusion in India is also very low and about 40% of the bank account holders use their accounts not even once a month. Financial Inclusion has far attainment results, which can help many people, come out of miserable dearth conditions. Financial inclusion provides formal individuality, access to expenses system and deposit insurance. The aim of financial inclusion is to expand the scope of activities of the organized financial system to comprise within its realm people with low incomes. Through graduated credit, the effort must be to lift the poor from one level to another so that they come out of poverty.

This study was an attempt to understand the process behind the recent financial inclusion constrain in India in the specific context of Agra district in Uttar Pradesh. The researcher attempted to document the manner by which households become financially incorporated and how this changes their financial performance. This study finds that the financial inclusion drive, while implemented with a great deal of enthusiasm by public and private banks and bank officials, do not resonate with low-income households. While the actual force itself suffers from several inconsistencies, the usage of accounts opened is terribly low. State bank of India covered more households of their allotted area but all other banks also performed well regarding the financial inclusion in Agra District. There is a big problem that people preferred money lenders than public sector banks for taking loans. Getting money for their financial necessities from local lender is easier than getting a loan from the bank. The researcher has analyzed that the public sector banks are performing more efficiently than the private sector banks related to financial inclusion at Agra district.

It is now time for banks to act seriously, implement financial inclusion practically and then report the progress accordingly. By considering the ground reality, a lot of work will have to be done for including the rural people for empowering the rural India. There is a need for harmonized action between the banks, the Government and others to make possible access to bank accounts amongst the financially excluded. As poverty levels decline and households have greater levels of flexible incomes, they will be first time financial savers. Therefore, they will need to have easy access to formal financial systems to get into the banking habit. Banks will necessitate innovating and devising newer
methods of including such customers into their fold. The micro-credit and the Self Help Group actions are in their infancy and they still need to gather force. Innovation in the form of business facilitators and correspondents will be needed for banks to raise their outreach for banks to ensure financial inclusion. There has been a burst of entrepreneurship crossways the country, straddling rural, semi-urban and urban areas. This has to be nurtured and financed. It is only through growth of enterprises across all sizes that competition will be fostered.

To conclude, the researcher wish to stress that with increasing liberalization and higher economic growth, the role of banking sector is perched to increase in the financing pattern of economic activities in the country. To assemble the growing credit demand, the banks need to organize resources from a wider deposit base and extend credit to activities previously not financed by banks. The trend of growing commercialization of agriculture and rural activities should produce greener pastures, and banks should examine the benefits of increasing saturation therein. Financial inclusion will strengthen financial deepening and provide resources to the banks to increase credit release.

4.2 SUGGESTIONS TO FACILITATE FINANCIAL INCLUSION

The researcher has presented here suggestions and policy choices for successful financial inclusion for inclusive growth in India:

1. **More use of Business Facilitator & Correspondent Models:** Since, many bank branches are suffering from staff shortages, they should make use of more people of SHG group or NGO or even Village heads and other retired teachers & officials as business facilitators or even business correspondents for surveying and account opening. Also they can also use local community based organizations and post offices for availing the information about the customers in order to reduce the credit risk and transaction cost.

2. **Inspection of Infrastructure of bank branches:** During the field visit, few customers have expressed their dissatisfaction with bank services in few areas mainly about the floor space, delay in service and information available in the branches of banks. RBI can indirectly or directly carry out inspection in certain rural branches to make sure they provide the basic communications facilities and information required by the customer. Since, if this is not ensured and if people are not happy with banking service, it will be a setback to financial inclusion project.
3. **Procedural / Documentation Changes**: It is predictable on the part of the regulators to find out an easy way of procuring the documents for opening of bank accounts and having loans. The present guiding principles are more monotonous and result in huge costs for the poor in accessing the banks for any kind of services. RBI along with banks should toil hard to reduce the amount of paper work in relation to the opening of an account as well as in getting small credits. This would reduce the complexity and also speed up the handing out at banks.

4. **Involvement of Education Sector for furthering Financial Inclusion**: Involving educational institutions, mainly college students for financial inclusion drive would not only be cost effective but also would create wide public awareness.

5. **Financial Inclusion as a Part of Course Curriculum in High Schools**: Financial Inclusion should be imbibed into the course prospectus in high schools so that the students would understand the importance of financial inclusion for inclusive growth in the economy which in turn would motivate them to automatically participate in the financial system.

6. **Create Awareness**: Government should promote introduction of basic banking – relevance, services, merits as a topic in secondary and higher secondary classes in all education institutions. Government sponsored promotion campaigns through all media – radio; television; newspapers; Village panchayat; movies; local stage shows etc. Banks should design and organize aggressive education cum promotion campaigns in unbanked parts of any region.

7. **Basic Banking**: The banks need to assume a considerate approach towards their new clients, to remove their qualms and disbeliefs. It is necessary that the basic banking should be inclusive in scope. All banks should allow no frill accounts i.e. savings accounts which can be opened with a nominal amount of Rs.5/- or even with zero balance. They should allow 6-7 withdrawals in the accounting period and should not restrict the number of deposits.

8. **Increase Financial Literacy**: Banks should arrange and provide technical advice for entrepreneurs. They will have to tone up their risk assessment and risk administration capacities, and provide for these facilities. Banks should give free financial counsel to low-income households.
9. Innovative Strategies: Basic banking itself needs to be supported by innovative strategies, in order to improve the reach and reduce the operating cost of the banks. Infrastructure sharing amongst banks and other organizations will help in lowering the commission cost and thus the cost benefit can be transferred to customers. Greater use of technology should be made by the banks to improve their reach, speed of processing, as well as to cut down the operating cost.

10. Ensure Banks to Grant Credit Facilities: As already RBI has taken the initiative in granting small credit facilities in form of Over Drafts, GCC/KCC, etc, they can ensure banks to grant such small credit facilities and the credit amount can be improved based on successful repayment of credit obtained.

11. More use of Mobile banking in rural areas: Banks will have to reach out through a variety of devices such as mobile banking, satellite offices, weekly banking, rural ATMs. Since mobiles has penetrated to greater extent they can used for sending information concerning account balances, attractive schemes, loan and interest to be paid, etc for account holders and even receipt of salaries, pensions and payments for utilities, information regarding loans, insurance and micro finance products.

5. LIMITATIONS OF THE STUDY

- While surveying researcher encounter with some problems like some people and bankers were not willing to respond and few of them who responded were in hurry hence the active participation was lacking.
- The study is limited to the customers in Agra District only.
- The researcher has taken only 2 public sector banks and 2 private sector banks at Agra District.
- The sample size is limited and it may not give the opinion of all the customers.
- Moreover, the investment was limited and time was also less to go in depth.